Press Release

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SCAG ANNOUNCES KEY BUDGET ACTIONS

LOS ANGELES – June 11, 2009 – The Southern California Association of Governments (SCAG) has taken key steps to minimize the impact that California's \$24 billion projected deficit and proposed cuts to transportation would have on the agency and the long-range planning it performs for the six-county Southern California region.

"While the goal of California's legislative leaders is to resolve the State budget deficit by June 15, there is potential that the State's budget imbalance may go past that deadline, which could impact SCAG's cash flow if the State withholds federal funds designated for SCAG until there is an approved budget and the State re-establishes its allocations," said SCAG Executive Director, Hasan Ikhrata. "Therefore, our agency has taken a number of steps to minimize any negative impact to our internal operations and required work for the region."

SCAG has suspended staff merit increases, and non-essential travel and training. Last fiscal year, the agency reduced full time equivalent personnel positions by 25%. "While our agency budget is sound, we need to be prudent with our funding and manage the agency's cash flow while ensuring that the work required of the agency is completed," said SCAG President and City of El Centro Council Member Jon Edney.

In the effort to ensure sufficient funding and support for regional transportation projects of national significance, SCAG sent a letter to Senator Barbara Boxer (D-Calif.) requesting that the American Clean Energy and Security Act (ACESA) – which calls for the development of transportation plans to reduce carbon emissions – be revised to include specific grant funding amounts or sources for implementation. Additionally, SCAG is one of 11 Southern California transportation agencies that signed a joint letter to US Transportation Secretary Ray LaHood seeking support for projects of national significance to help support the country's economic recovery.

About SCAG

SCAG is the nation's largest metropolitan planning organization, representing six counties, 189 cities and more than 18 million residents. SCAG undertakes a variety of planning and

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policy initiatives to plan for a livable and sustainable Southern California now and in the future. For more information about SCAG's regional efforts, please visit www.scag.ca.gov.